

UI Quarterly News
4th Quarter 2011
Colorado Department of Labor and Employment
Unemployment Insurance Program
www.colorado.gov/cdle/ui

John Hickenlooper
Governor



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EMPLOYEE MISCLASSIFICATION

The Unemployment Insurance (UI) Program is required to accept complaints and conduct investigations, when appropriate, regarding alleged misclassification of employees as independent contractors. Employers found to have misclassified employees may be required to pay back UI premiums owed plus interest. Employers found to have willfully disregarded the law may also face additional fines and penalties.

Employers may request an advisory opinion. The opinion is available to employers seeking advice on proper classification of workers. If you would like to request an advisory opinion or obtain more information, visit the [Employee Misclassification](#) Web page.

UNEMPLOYMENT INSURANCE RATES FOR 2012

The 2012 base rates for many employers will remain the same. In the rate schedule in the Colorado Employment Security Act [8-76-103 \(3\)\(b\)\(II\)](#), the 2012 base rate is under column heading **0 or Deficit**. The base rate for most new employers remains unchanged at 0.017.

We mailed your rate for 2012 on Your Unemployment Insurance Rate Notice form, in November. Begin using your 2012 assigned rate with your first quarter 2012 reports due on April 30, 2012.

SOLVENCY SURCHARGE AND SOLVENCY SURCHARGE CREDIT

In 2004 we began charging a solvency surcharge to the majority of employer accounts. The purpose of the solvency surcharge is to keep enough money in the Unemployment Insurance Trust Fund to ensure that we can pay unemployment benefits.

We mailed Your Unemployment Insurance Rate Notice form in November 2011. The form gives you your combined base rate and solvency surcharge for calendar year 2012.

Effective for rate year 2012, the solvency surcharge yearly increment is credited back to employers as an adjustment. You will see this credit reflected on the 2012 Your Unemployment Insurance Rate Notice form in **Item 11**. If the limit on solvency tax is reached, the adjustment (**Item 11**) may be less than the 2012 yearly increment.

The following Web pages give additional information about the solvency surcharge and solvency surcharge credit:

- [Solvency Surcharge and Its Impact on Rates for Calendar Year 2012](#)
- [Frequently Asked Questions About the Solvency Surcharge](#)
- [Unemployment Insurance Protest Information](#)

REDUCING IMPROPER PAYMENTS UPDATE

In September 2011 we joined a U.S. Department of Labor led program to reduce improper payments. Focus is being placed on educating staff, claimants, and employers on the main causes of improper

payments. Emphasis is also being placed on information that will help prevent, detect, and recover overpayments.

As the receipt of complete and timely information is critical to reducing improper payments, your response to all requests for information will greatly help our efforts. We look forward to providing you with information that will not only help reduce improper payments, but have a positive impact on your premium rates.

REQUEST TO EMPLOYER FOR EARNINGS DATA, FORM UIB-144

Our Request to Employer for Earnings Data form is sent to employers, seeking information on wage and hour data for employees that have been identified as collecting UI benefits while earning wages. We use this information to audit claims for proper payment of UI benefits. Benefits paid to ineligible individuals, if not detected, result in unwarranted charges to your experience rating account and may affect your rate unfavorably.

We encourage your timely response to this form, as it assists us in properly setting up overpayments and recouping money for the UI Trust Fund. If an overpayment is established, the affected employer's premium account is credited and their experience rate (premium) adjusts to a lower rate. Timely return of our Request to Employer for Earnings Data form, may save you or another employer money.

DUE DATES

According to a change in Regulation 6.1 and 7.2, the UI Program must use the date we receive mail from you to determine that it is on time. Previously, we used the postmark date. For example, quarterly reports and payments for the second quarter are due on July 31. The reports and the payments must be received, not postmarked, on or before July 31. Reports and payments received after July 31 are late. If the due date falls on a weekend or state holiday, mail is on time if we receive it on or before the first business day following the weekend or holiday.

SEASONAL EMPLOYER REMINDER

We will mail seasonal employer forms in December 2011. To continue your designation as a seasonal employer, you must return this form no later than February 28. If you have a seasonal business and do not have seasonal status, you can apply for seasonal status by filling out the [Request for Seasonal Status](#) form available online.

EMPLOYMENT VERIFICATION LAW AUDITS

All public and private employers in Colorado must comply with the requirements of the Colorado Employment Verification Law, Colorado Revised Statutes 8-2-122. This law is in addition to federal Form I-9 requirements and applies to all Colorado employees hired on or after January 1, 2007. There are two main components to the law: (1) an affirmation requirement, and (2) a requirement to make and retain copies of employee identity and employment eligibility documentation.

The Colorado Division of Labor conducts audits of employers to determine compliance with the law. Employers who are not meeting the requirements of the law may be subject to fines up to \$5,000 for the first offense, and up to \$25,000 for second and subsequent offenses.

For more information, visit the [Employment Verification Law](#) Web page on the [CDLE](#) Web site.

CONTRACTS FOR SERVICES WITH PUBLIC ENTITIES REMINDER

Contractors who enter into or renew a public contract for services with Colorado state agencies or political subdivisions must participate in either the federal [E-Verify](#) program or the [Department Program](#).

The Colorado Division of Labor may conduct audits of contractors to determine compliance with the law. Violations of the law may result in contract termination and liability for actual and consequential damages.

For more information, visit the [Public Contracts for Services](#) Web page on the [CDLE](#) Web site.

QUESTIONS OR CONCERNS?

For UI premium questions and issues related to your account, e-mail [UI Employer Services](#). You may also call 303-318-9100 (Denver-metro area) or 1-800-480-8299 (outside Denver-metro area).